

**AT&T****ORIGINAL  
FILE**

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November 10, 1992

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Donna R. Searcy, Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Amendment of the Commission's Rules to <sup>FEDERAL COMMUNICATIONS COMMISSION</sup>  
Establish New Personal Communication Services <sup>OFFICE OF THE SECRETARY</sup>  
GEN Docket No. 90-314; ET Docket No. 92-100;  
and Petitions for Rulemaking RM-7140 et al.

Dear Ms. Searcy:

On November 9, AT&T filed its Comments in the above-referenced proceedings pursuant to the Commission's Notice of Proposed Rulemaking released August 14. Pages 12-13 of the Comments contained errors in the computation of the number of licenses available under several alternatives set forth in the Notice. Corrected pages, reflecting the proper computations, are enclosed. AT&T requests that the corrected material be substituted in its filed Comments.

Very truly yours,

*Peter H. Jacoby (sen)*

Enclosure

cc (w/enc.): All petitioners for rulemaking

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	GEN Docket No. 90-314
	)	ET Docket No. 92-100
	)	
Amendment of the Commission's	)	RM-7140, RM-7175, RM-7617
Rules to Establish New Personal	)	RM-7618, RM-7760, RM-7782
Communications Services	)	RM-7860, RM-7977, RM-7978
	)	RM-7979, RM-7980
	)	
	)	PP-35 through PP-40, PP-7
	)	through PP-85

COMMENTS

American Telephone and Telegraph Company ("AT&T")  
respectfully submits the following Comments in response to the  
Commission's Notice of Proposed Rulemaking and Tentative  
Decision ("NPRM"), released August 14, 1992.

INTRODUCTION

The NPRM (§ 1) seeks "comprehensive comment" on how  
the Commission should structure the regulatory treatment of  
personal communications services ("PCS"), "including a variety  
of possible spectrum allocation and licensing schemes, so as  
to bring . . . PCS to the public expeditiously and with the  
least amount of regulatory delay." The NPRM (§ 6) also  
requests information to "attempt to optimize and balance four  
values in providing spectrum and a regulatory structure for  
PCS: universality; speed of deployment; diversity of  
services; and competitive delivery." It is the Commission's  
"goal to allocate sufficient spectrum and establish rules to  
allow the widest possible range of such services" (NPRM,

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while creating the diversity of service offerings which the NPRM (§§ 56, 57) seeks to promote.

Although the Commission has suggested (§ 58) that a nationwide serving area for PCS licensees may offer certain advantages, such benefits -- including nationwide roaming capabilities, nationwide technical standards, and reduction of interference costs -- could also be achieved without sacrificing service providers and diversity. Nationwide licenses would reduce the number of PCS licensees and thereby arguably reduce not only competition, but also the technical experimentation and diversity of service offerings that likely would result from granting more licenses to a greater number of applicants in smaller geographic regions.

Reliance on the 194 existing LATAs as the geographic serving areas for licenses is most reasonably calculated to achieve the Commission's objectives. With 20 MHz of spectrum allocated to each of five licensees in these service territories, customers would be assured of a diversity of PCS providers among the slightly less than 1000 total available licenses nationwide. Moreover, licensing LATA-bounded service areas would minimize the need for future potentially costly network rearrangements to facilitate application of customer choice requirements to wireless service providers.<sup>16</sup>

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<sup>16</sup> Currently pending before the Commission is MCI's petition to extend equal access obligations to cellular providers. See, In the Matter of Policies and Rules Pertaining to the Equal Access Obligations of Cellular Carriers, RM-8012.

**CORRECTED PAGE**

By contrast, licensing this spectrum on the basis of Major Trading Areas would create only 235 available licenses, which may allow too few service providers to participate meaningfully in this marketplace. Such a result would deprive customers of the benefits of service innovation and vigorous price competition for PCS service. Conversely, licensing based on the almost 500 Rand McNally trading areas would create far more licenses than the number of potential market entrants; this fragmentation of the geographic licensing process would therefore simply increase the transaction costs and burdens on applicants and the Commission, without meaningfully promoting the Commission's service innovation and price competition objectives.

IV. THE COMMISSION SHOULD INCREASE ITS ALLOCATION FOR SPECTRUM IN THE UNLICENSED BAND, OR ALTERNATIVELY, CREATE A RESERVE OF ANY SPECTRUM NOT IMMEDIATELY REALLOCATED FOR EITHER LICENSED OR UNLICENSED PCS

AT&T supports the Commission's finding that unlicensed product applications deserve an allocation in the emerging technologies band. In particular, AT&T supports the proposal (NPRM, ¶ 41-43) to allocate spectrum for unlicensed applications between 1910 to 1930 MHz. Because neither manufacturers nor users of unlicensed spectrum would hold specific spectrum licenses, it is likely that at least some degree of unpredictable and uncontrollable interference will occur. The NPRM (¶ 43), however, notes correctly that "interference between unlicensed spectrum users and existing fixed microwave users" should "be minimized by employing appropriate technical standards and making use of specific